

Introduction

One of the most important policy functions of State Government is the development of the budget. The budget is the *plan of operation* describing how the state will use its financial resources to meet the needs of the public. This plan must include an estimate of all proposed expenditures and the means of financing them.

Budget Allocations

The first phase of the budget process involves the preparation and announcement of budget allocations, or targets, which are to be adhered to by each agency in the preparation of its upcoming budget. For the FY 2002 Budget, agencies will be provided a *single* target funding level. The statewide budget allocations formulated by the Budget Office are based on preliminary revenue estimates for the ensuing fiscal year, mandated changes in expenditures, estimated caseload or population adjustments, the Governor's directives, and other relevant budget factors.

A significant feature of the allocation process is that they are made at the agency level, rather than at the individual program or sub-program level within an agency. The agency Director is responsible for determining how these allocations will be distributed among the agencies' programs. This process encourages agency managers to make program adjustments that shift resources from low to high priority services.

The use of a funding target reinforces the role of agency managers in the assignment of priorities among programs. Where the allocation requires a reduction or elimination of programs, agency managers are given the opportunity to specify areas of reduction. Conversely, when agencies are afforded opportunities for enhancements, the agency managers indicate areas where additional funding would be most effective.

Program Budget Format

The Rhode Island Budget employs a program budget format. *A program is a collection of similar activities and services directed toward a defined purpose or goal and managed by a single identifiable authority.* Although the program is the primary budgetary unit for appropriation purposes, agencies are asked to prepare operating plans at the sub-program level, where applicable. This provides for a more detailed examination of the activities performed within each program, and aids in the analytical process at both the agency and Budget Office level.

Brief Outline of Budget Process

The Budget Office distributes the expenditure targets, along with other reports, forms, and historical data to each agency by mid-July. The agency is requested to submit certain items at varying intervals during August and September, as outlined on the Timetable and further detailed in these instructions. The full agency budget is due to the Budget Office, in accordance with Section 35-3-4 of the R.I. General Laws, on or before October 1. Earlier submission for agencies with smaller operating budgets (i.e. under \$5.0 million) is being requested this year.

During the fall, the Budget Office reviews agency budget requests for technical accuracy and concurrence between agency proposals and the Governor's policies. Agency proposals are brought into balance with the revised estimate of total revenues, as determined by the November Revenue Estimating Conference. Detailed preliminary budget recommendations are developed for each program and agency. The key elements considered as part of the development of these recommendations include the consensus revenue forecast, program plans and performance measures, adherence to policy guidelines, information contained in the agency budget submissions together with agency explanations of the differences in service, and information derived from discussions with agencies.

Beginning in October and continuing into mid-December, the Budget and Policy Offices will meet with each agency to review recommendations for the budget year. Subsequent to these meetings, final recommendations will be presented to the Governor, who will make final decisions on the budget in early to mid-January.

The Revised Budget for FY 2001 must be submitted to the Legislature no later than the second Tuesday in January or January 9, 2001. The Budget for FY 2002 must be submitted to the Legislature no later than the third Wednesday in February or February 21, 2000. However, due to the legislative calendar, the Budget will likely be submitted on February 15, 2001.

Timetable/Due Dates

The following table provides the due dates for various deliverables and the projected timelines for decision points during the FY 2002 budget cycle. Budget requests for agencies with total FY 2001 enacted funding of \$5.0 million or less are due to the Budget Office by September 15, 2000. Budget requests for agencies with total FY 2001 enacted funding in excess of \$5.0 million are due to the Budget Office by October 1, 2000. Intermediate due dates for specific items are further described within these instructions. Any questions concerning what is required as of a specified date should be addressed to the Budget Analyst assigned to your agency.

July 12	Budget Instructions and Funding Targets Distributed to Agencies
July	Salary/Wage Projections/Expenditure Data/Other Forms and Data distributed. (Some data may accompany instructions, while time sensitive data, such as final revenue and expenditure data, will be distributed later in the month.)
July 17	FY 2002 - FY 2006 Capital Budget Requests Due to Budget Office
August 14	Requests for Changes to Current Program Structure Submitted to the Budget Office (if applicable). New or significantly revised Performance Measures will also be submitted at this time.
September 13	Performance Measures and Updated Budget Document Narrative Pages Submitted to Budget Office
September 15	Budget Requests of agencies with total FY 2001 enacted funding of \$5.0 million or less submitted - Copies to the Budget Office (3), House and Senate Fiscal Offices. (Budget Office will supply one copy to the Governor's Policy Office.)
September 25	Revenue Estimates Submitted to the Budget Office
October 2	Budget Requests of agencies with total FY 2001 enacted funding over \$5.0 million submitted - Copies to Budget Office (3), House and Senate Fiscal Offices. (Budget Office will supply one copy to the Governor's Policy Office.)
Mid - October	Agency meetings to review budget recommendations with Budget and Policy Offices begin
January 2	Final Gubernatorial Decisions on FY 2001 Revised Budget
January 9	Supplemental Appropriations Bill Submitted to Legislature
January 22	Final Gubernatorial Decisions on FY 2002 Budget
February 15	Governor's FY 2002 Budget Submitted to Legislature.

Program Planning

Program Planning is the basis for budget requests. The budget request should represent a translation of program plans into funding requests. What funding is needed to carry out program activities and achieve the program's established mission and objectives? Program plans provide a major source of background information to the Governor, the Budget Office, the Policy Office and the Legislature when budget requests are evaluated.

Each agency has at least one, and probably more, missions and objectives that are generally found in the General Law statutes that created the agency or assigned a responsibility to the agency. For example, Title 23, Chapter 1, of the R.I. General Laws creates a Department of Health and assigns it certain responsibilities:

The department of health shall take cognizance of the interests of life and health among the peoples of the state; shall make investigations into the causes of disease, the prevalence of epidemics and endemics among the people, the sources of mortality, the effect of localities, employments and all other conditions and circumstances on the public health, and do all in its power to ascertain the causes and the best means for the prevention and control of diseases or conditions detrimental to the public health, and adopt proper and expedient measures to prevent and control such diseases and conditions in the state. It shall publish and circulate, from time to time, such information as the director may deem to be important and useful for diffusion among the people of the state, and shall investigate, and give advice in relation to such subjects relating to public health as may be referred to it by the general assembly or by the governor when the general assembly is not in session, or when requested by any city or town. The department shall adopt and promulgate such rules and regulations as it deems necessary, not inconsistent with law, to carry out the purposes of this section.

The Department of Health has created seven *programs* to accomplish these missions, each with its own stated set of *objectives*. Similar direction exists for every agency and department in state government that forms the basis for each agency and department's program structure.

Changes to Program Structure

Agencies and departments are encouraged to review their program structures annually. Program structures should be revised when evidence indicates that a revision will improve agency operations, budgeting, fiscal reporting, or management. Program structures should definitely be reviewed if legislative changes have recently been enacted which in any way alter the responsibilities of the agency or program.

In developing or revising a program structure, the following rules should be followed:

1. Programs should serve a single purpose or set of objectives
2. Sub-Programs should be delineated when doing so will improve accountability, budgeting, fiscal reporting or management.
3. Accounts are **not** programs or subprograms, although one account may in some instances comprise one program or subprogram. Accounts are accounting devices used to reflect fund sources, cost centers, activities, etc. Accounts are used to display the funding which comprises a program or sub-program, therefore, funding within one account should not be shared by more than one program.

Agencies or departments may initiate a change in program structure. The Budget Office must approve all changes before they are incorporated into the budget or the accounting system. An agency proposal to change the program structure should be submitted in writing and should include the following:

1. Copies of the current and proposed program structure in the form of organizational charts.
2. An explanation of why the change is being requested. What problems have been encountered using the current structure, and/or what improvements will be gained from the new structure?

The creation of new subprograms or the deletion of existing subprograms within an existing program is considered a change in program structure, and therefore, should be approved by the Budget Office.

Written proposals concerning program structure changes must be submitted to the Budget Office by **August 14**. Agencies will be notified of the Budget Office's decision within two weeks of the date that the request is received. Therefore, the earlier the request is submitted, the sooner you will be informed of the Budget Office's decision. Proposed Performance Measures for new programs will also be required as part of this submission. Further information on this requirement is contained in the Performance Measure section of these instructions.

Budget Request Preparation

Agency budget requests must adhere to the format as described below. Some agencies may not require each section as described, but the basic format and order of presentation should be followed in the preparation of your budget request. The general order of presentation is:

- Letter of Transmittal
- Table of Contents
- Agency Summary Information
- FY 2001 Expenditure Plan Adjustments/Supplemental Request
- Revenue Estimates
- Program/Subprogram Information – FY 2002 Budget
 - Program Plans
 - Budget Specific Impacts
 - Program/Subprogram Summary Financial Data
 - Program/Subprogram Personnel Supplement Data
 - Budget Object Code Detail/Backup Information
 - Federal/Restricted Account Estimates

Each of these sections and the specific items that should be provided within each section, are described in more detail below. The order and format of the budget submission is shown in more detail in the *Technical Instructions* section of these instructions.

Letter of Transmittal

A letter of transmittal from the head of the agency or department must accompany the budget submission. This letter should provide a brief overview of the budget request from the Director's perspective. How does this budget meet the goals, objectives and policies of the department or agency? What major issues are of concern to the Director, and how are they addressed within the budget proposal? The letter should be addressed to the Governor.

Table of Contents

Each page of the budget request document should be numbered. Separate sections may be numbered individually (e.g. 2-1, 2-2, 3-1, 3-2), or the entire document may be numbered sequentially. A table of contents should include the major components/sections of the budget request and indicate the respective page numbers where these sections begin or where certain data can be found.

Agency Summary Information

A general narrative overview of the Department or Agency as a whole should be provided as a starting point. Summary financial data displayed on the *Agency Summary* form (Form BR-1) is also required in this section. (Note: One-program agencies are only required to provide this information once.) The following information should be provided:

1. **Agency Description** - A general description of the agency, its organization, programs and overall objectives should be provided. This section should also provide information on major challenges facing the agency as a whole, trends, and other information that will give the reader a better sense of the direction the agency is taking. This section should provide the reader with an understanding of the agency's operations, why the agency exists, what services it provides, etc. This information should be provided on a *Narrative Information* form (Form BR-10).
2. **Agency Expenditure Summary** - The *Agency Summary* form (Form BR-1) should be completed to show the total expenditures by fund, program, and major category as requested for the budget year, the enacted and revised data for the current fiscal year, and the actual expenditures for the two prior fiscal years.

FY 2001 Expenditure Plan Adjustments/Supplemental Request

As part of the submission of the FY 2002 Budget Request, agencies are required to update their current year (FY 2001) expenditure plans to better reflect the most current and realistic estimate of expected costs. Any changes to appropriations, including reallocations, increases to federal or restricted caps, requests for additional general revenue funding, and/or adjustments to the agency's FTE cap, must be included in the revised budget request.

Section 2 of Article 1 of the FY 2001 Appropriations Act establishes that "each line appearing in section 1 of this article shall constitute an appropriation." This language strictly limits expenditures to the appropriation in a given line item. Departments and agencies are not permitted to use funds in one line item to offset costs attributable to another line item. Any such reallocation of funds must be requested as part of the FY 2001 Revised Budget and approved by the Legislature in the Supplemental Appropriations Act.

In general, funds may be reallocated within each subprogram without explanation (e.g. shifting of funds between object codes). Major changes between subprograms or programs, however, should be accompanied by narrative explanation. This includes changes to restricted and federal account appropriations. Any reappropriation of general revenue funds from FY 2000 should only be included if the Budget Office has notified the agency of approval by August 15. The general laws mandate that all changes to appropriation lines be incorporated in the supplemental appropriations bill which must be submitted to the Legislature by the second Tuesday in January (January 9, 2001).

The *Expenditure Plan Adjustments* Form (Form BR-5) should be completed to provide detail of the changes being requested in the agency's FY 2001 Budget. General Revenue, Federal, Restricted, and Other Fund Sources should be shown separately. The form should be completed at the account level, with a summary by program for general revenue and federal accounts. Accompanying this form should be a brief explanation as to the reason or need for each substantive change requested. Minor changes between accounts which are being done to better reflect where expenditures are going to occur, but have no significant effect on program operations, do not require significant explanation. However, if funding adjustments will alter a program's current operations, a detailed explanation of the change, its rationale, and impact should be provided. Supplemental funding requests should also be clearly identified, and a thorough explanation as to the basis and need for each request should be provided. Changes to federal and restricted account appropriations do not normally require significant explanation. A brief statement, such as "increase in federal grant", is sufficient. Federal changes requiring new or additional general revenue matching funds should be fully explained and justified. Further data on federal and restricted accounts will be requested on Form BR-7. Substantive explanations should be provided on a *Narrative Information* form (Form BR-10), while brief statements can be included directly on the *Expenditure Plan Adjustments* form (Form BR-5). *Narrative Information* forms used to explain expenditure plan adjustment requests should be placed directly after the *Expenditure Plan Adjustments* forms in your submission.

Revenue Estimates

Agencies responsible for collecting various general revenue departmental receipts (e.g. license fees, fines and penalties, etc.) are requested to provide updated estimates of these revenues for both the current fiscal year and the budget year. All estimates should be based on current law, and should not include any proposed changes to fee structures that may have an impact on revenues. If an agency believes current fee structures require review for potential adjustments, a separate analysis should be prepared and included under the "Additional Information" section of the budget request document.

The *Estimated Departmental Revenues* form (Form BR-8) should be used to provide the estimates for each receipt account. The *Receipt Account Information* form (Form BR-9) should be used to provide backup information about each receipt account, and any additional information that may be helpful in understanding how the revenue estimates were derived. Historical receipt data and the Budget Office's official estimates for the current fiscal year will be provided to each agency in electronic format on Form BR-8. Revenue estimate data should be submitted to the Budget Office by September 25, 2000 to permit sufficient time for review and analysis prior to the November Revenue Estimating Conference, which occurs during the first ten days of November.

Program/Subprogram Information

Narrative information is intended to provide program-planning information and to explain budget requests. It consists of both program plans and budget specific impacts. The principal components of this section of the budget request document are:

- Program Plans
 - Program/Subprogram Title
 - Program/Subprogram Explanation
 - Statutory History
 - Program Objectives
 - Long Term Trends (program level only, as applicable)
- Budget Specific Impacts
- Program/Subprogram Summary Financial Data
- Program/Subprogram Personnel Supplement Data
- Budget Object Code Detail
- Budget Object Code Detail Backup Information
- Federal/Restricted Account Estimates

Program Plans

The Program Plan provides, in a narrative format, a general overview of the program or subprogram, its history, purpose, etc. The plan is intended to provide the reader with an understanding of why the program exists, what its public purpose is, why funding is and/or should be provided. The components of the program plan should be presented on the *Narrative Information Form* (Form BR-10), be presented in the order shown below, and include the following:

1. **Program/Subprogram Title** - Program plans should be headed by the program or subprogram title as included in the program structure. In most cases, titles at the program level should correspond to the line items as shown in the Appropriations Act.
2. **Program/Subprogram Explanation** - This section of the plan should be a clear and concise description of program or subprogram activities. The explanation should be brief but should address the major activities undertaken in the program and explain how the program operates. The descriptions for a program with subprograms should not simply be a restatement of the subprogram descriptions, but rather should provide the reader with an understanding of what links the various subprograms (e.g. why are they a part of the same program?).
3. **Statutory History** - Although you should list the statutory reference(s) that directly relate to the program or subprogram, this section should be more than a list of statutory citations. It should include a brief narrative summary describing the creation of the program or subprogram, and the statutory changes that have substantially affected program responsibility or operations in recent years. Federal statutes, regulations, and other

mandates, which have a direct impact on the program or subprogram operations and requirements, should also be listed and discussed.

4. **Program Objectives** – This section is a list of statements that indicate measurable progress toward the achievement of the program purpose. They state the criteria for the determination of progress and indicate for each criterion how much progress is expected in the budget year. They state the anticipated accomplishments of programs or subprograms rather than the means by which progress is secured. What are the goals of this program or subprogram in the upcoming fiscal year? Objectives should be established at the subprogram level (where applicable), and be consistent with the purpose statement for the overall program. Objectives at the program level are required on the Agency or Department narrative page, which is used in the published Budget document. More information on this is provided in the Performance Measures section of these instructions
5. **Long Term Trends** - Any major trends that will affect program operations during the budget year and beyond should be described. Implications of such trends on populations, caseloads, funding requirements, revenues, etc. should all be discussed. A brief description of program responses necessary to deal with long-term trends should also be provided. This section should only be completed at the program level and only where noteworthy trends can be identified.

Budget Specific Impacts

The agency should identify the impact the proposed funding level for a particular subprogram will have. Reallocations of funding between programs and curtailment of operations necessary to meet the target funding level should be described and the anticipated impact explained.

Program/Subprogram Summary Financial Data

Each program and subprogram should contain a *Program* or *Subprogram Summary* form (Forms BR-3 and BR-4). These forms aggregate the account/budget object code data by major category of expenditure (personnel, operating, etc.) and funding source (general revenue, federal, etc.). These forms provide a quick summary of the more detailed account/BOC data. The *Subprogram Summary* forms feed the *Program Summary* forms, which in turn feed the *Agency Summary* form.

Personnel Supplement Data

Personnel expenditures constitute a significant portion of program expenditures in most agencies. Sound budgeting practice dictates that personnel expenditures receive additional attention. Section 35-3-7 (a) of the R.I. General Laws requires the Governor to submit “a personnel supplement detailing the number and titles of positions of each agency and the estimates of personnel costs for the next fiscal year.”

Each agency is requested to prepare a *Personnel Supplement Data* form (Form BR-2a) for each program. This information will form the basis for the development of the Personnel Supplement document to be submitted with the FY 2002 Budget. The FY 2002

submission will display two year's data in the same format as the FY 2001 submission. Therefore, the FY 2001 Revised column on Form BR-2a should reflect all changes in salary, organizational structure and turnover, and should agree with the FY 2001 revised budget submission. The personnel supplement pages must agree with the object code detail.

The order of presentation for positions on the Personnel Supplement Data form should be as follows:

- Classified
- Unclassified
- Non-Classified
- Board and Commission Members
- Temporary and Seasonal
- Other Employee Compensation

The Salary/Wage Projection reports (Forms BR-2e and BR-2f) utilize the fringe benefit rates as shown in the Planning Values section. Fringe and related benefits for any new positions or vacant positions not shown on these reports should be computed using these rates.

Agencies should determine turnover expectancy, where appropriate, and deduct the computed amount from total salaries, wages, and fringe benefits to yield a budgeted salaries and wages total for each program or subprogram. There are two kinds of turnover expectancy. The first is the normal savings which occur from employees leaving state service and new employees being hired, usually after a modest delay and at a lower cost than the departing employee. The second kind of turnover expectancy is managed turnover where the department, by design, leaves positions vacant in order to achieve a certain level of savings.

Agencies should adhere to the following guidelines regarding salaries and wages, and FTE counts.

1. Count each authorized full-time equivalent position as one position notwithstanding the period of time within a fiscal year that the position is expected to be filled. For example, a full time position filled for six months of a fiscal year should still be shown as 1.0 FTE, not .5 FTE. Salaries for such a position should be shown, on the *Personnel Supplement Data Form*, at the full annual cost, and any savings resulting from the vacancy period should be taken as turnover.
2. The FY 2001 column should reflect any revisions to the enacted budget being requested by the agency, including requests for additional FTE positions.
3. Footnotes should be used to explain entries that may be misunderstood or misinterpreted when comparisons are made across the years contained on the form.

4. A *Program Reduction* line should be used in the budget year (FY 2002) to identify savings and FTE reductions resulting from program reductions. However, program reductions may not be shown in this way for the current fiscal year, since it is expected that any such reductions would be implemented by this time, and therefore specific positions should already have been identified for elimination (where applicable).

In addition to the *Personnel Supplement Data* forms for each program, a detailed listing of positions with salary and fringe benefit costs by account, and summarized by program will also be required. The basis of this listing will be data provided to the agencies in electronic form (spreadsheet or database) with the Salary/Wage Projection printouts. Further explanation of these printouts and this requirement is provided under the *Technical Instructions* section of these instructions.

Budget Object Code Detail/Backup Information

Agencies and Departments are required to submit budget object code detail for each account by subprogram. These forms should present the expenditure history for the two prior fiscal years, the enacted budget for FY 2001, the revised budget as requested for FY 2001, and the requested budget for FY 2002. The historical data and the enacted budget data will be provided to each agency in electronic format.

Some object codes by their nature or by the level of funding requested often require additional explanation. The *BOC Detail Backup Information* form (Form BR-6b) should be used to provide a listing of the items that will be purchased under a specific object code, or a brief explanation of the type of product or service to be purchased. At a minimum, backup should be provided for the object codes listed below. Backup for other object codes should be provided based on a review of the account budgets. If a particular object code is increasing or decreasing by more than 20 percent from the enacted FY 2001 budget, or if a particular object code has a significant amount of funding in comparison to others within the same account, some explanation would probably benefit the reader of the budget request. "Major changes" or "significant funding" are relative terms, which are dependent upon the size of the total budget and the budget for a particular account. Agencies should use their best judgment to determine if an object code warrants further backup, and which items to list. Some additional guidelines on when to include backup are provided below. One rule of thumb: *you can never provide too much backup information.*

BOC
260-269

Explanation

List the type of service to be purchased; list specific agencies or contracts, if known, otherwise provide a brief description of the service and the total cost per item; if rates per day, case or client are factors which are involved in determining funding requirements, this information should be provided.

- 275 The Controller's Office has established this BOC to identify cooperative agreements between state agencies and state university and colleges. Agencies should use the BR-6b form to provide a list of cooperative agreements with the institutions and explain the nature of the agreement.
- 361/363 List any major repairs to be funded within the proposed budget; at a minimum, major would be any individual project over \$10,000. If the majority of the funding is for minor general maintenance type repairs, please provide a brief listing of the types of projects to be completed.
- 381 Backup for this object code should indicate the specific property or properties being leased, the total square footage, cost per square foot or other basis for rental charge, the current lease period, and any additional charges (e.g. utilities/maintenance) covered by the lease. If the lease is coming up for renewal, you should discuss the likelihood that the agency will continue to lease the current space or if a move is anticipated.
- 580-599 List individually each type of grant or benefit funded. If specific agencies are known, these should be listed, otherwise, a general description of the type of grant should be provided, along with the associated funding per grant type. "Legislative grants" should be listed individually with the funding provided in both FY 2001 and FY 2002. Grants to cities and towns (e.g. education aid, state aid, etc.) should be backed up by a listing of disbursements by city and town.
- 650-660 Major equipment purchases should be listed individually. Computer purchases should be consistent with information provided under the Information Technology portion of the budget submission. Requests for new automobiles or other vehicles should be accompanied by a detailed explanation of the need. Due to the goal of reducing the state's fleet, vehicle requests will be closely scrutinized. **Note:** No vehicle purchases will be authorized in either FY 2001 or FY 2002 unless they have been requested and approved as part of the budget process.

Note: Amounts shown on backup information forms should equal the total funding for a particular Account/BOC. If there are a large number of minor items, and only a few major items, you may group the minor items into a general category (e.g. newspaper subscriptions or general maintenance) in order to display the full funding requested.

Federal/Restricted Account Estimates

In an attempt to avoid the need for multiple requests for cap increases to federal and/or restricted receipt accounts during the fiscal year, agencies are asked to provide a detailed explanation as to how funding estimates have been determined. The *Federal/Restricted Account Estimates Form* (Form BR-7) has been created for this purpose.

Agencies should carefully develop realistic estimates of funding for all federal and restricted receipt accounts. Using historical data, plus known carry forward amounts, and estimated new grants or receipts, agencies should be able to develop relatively accurate estimates of resources for both the revised budget and the new year budget.

Further information as to the specific information required is provided later in these instructions.

Performance Measures

Section 35-3-24.1 of the RI General Laws requires that:

(a) Beginning with the fiscal year ending June 30, 1997, the governor shall submit, as part of each budget submitted to the general assembly pursuant to section 35-3-7, performance objectives for each program in the budget for the ensuing fiscal year, estimated performance data for the fiscal year in which the budget is submitted and actual performance data for the preceding two completed fiscal years. Performance data shall include efforts at achieving equal opportunity hiring goals as defined in the department's annual affirmative action plan. The governor shall, in addition, recommend appropriate standards against which to measure program performance. Performance in prior years may be used as a standard where appropriate. These performance standards shall be stated in terms of results obtained.

(b) The governor may submit, in lieu of any part of the information required to be submitted pursuant to subsection (a) an explanation of why such information cannot, as a practical matter be submitted.

As part of the development of the previous four fiscal year budgets, the Budget Office worked with agencies in the development of performance objectives or measures for the majority of programs covered by the State Budget. The goals for FY 2002 are to update and refine the measures included in previous budgets and to use performance measures as part of the budget decision making process. To that end, agency budget meetings will focus on discussions of program performance as identified by measures already in use. The Strategic Planning, Monitoring and Evaluation Unit of the Budget Office will be responsible for this part of the budget process, and will work closely with each agency in developing or refining appropriate measures.

All agencies and departments have already received detailed individual guidance on performance measures by memoranda. The following general instructions are intended to complement those more specific suggestions. Performance objectives stated on the *Program Performance Measurement* forms (disk previously provided by Budget Office) must be consistent with those contained in the narrative page under "program objectives" in the FY 2002 Budget document for a given program. In some cases this may require a restatement of the program objective. The agency should describe how each program measure that is being reported in the form specifically relates to a given program objective. More than one measure may be required to demonstrate program performance. In some cases, it may be appropriate to use performance measures for subprograms to demonstrate program performance. To ensure consistency, both narrative pages and the performance measurements are due on September 15. Completed *Program Performance Measure* forms should contain the name, title, phone number and e-mail address of the individual responsible for preparing and monitoring the program performance measure. Please return the disk containing the performance measures that was provided to you along with a hard copy of each measure. All performance measures must also be accompanied by defined quantifiable standards. In those instances where the agency is

presenting new programs or program revisions, new or revised program performance measures may be required. These must be submitted to the Budget Office concurrently with program changes or revisions by August 14. The following sections provide definitions and guidance for designing or revising appropriate performance measures and standards.

Agencies are requested to submit an Annual Performance Review beginning this year on September 15. Part one of this annual review should report on FY 2000 actual performance data. In addition to providing performance data on the year ended, agencies are requested to provide a narrative paragraph on each measure (whether they achieved their goal(s), why or why not, reasons behind trends, etc). Agency performance reviews also should demonstrate the linkage between performance and funding levels for the current and proposed fiscal years. The performance review should indicate how your agency is doing in terms of its goals and objectives for the fiscal year just ended and list any modifications of these goals and objectives.

Part two of the Annual Performance Review should summarize your performance plan for FY 2001 and FY 2002. This plan should continue to link program performance measures to your agency's mission, goals and objectives as stated in your narrative summaries. In addition, your performance plan should include the performance objectives for each activity covered by an existing, revised, or new program performance measure, as well as explanations for any changes in those objectives from previous years and the linkage between funding levels and those objectives, if any.

This fall we will be reviewing and discussing program performance along with related activities for which you have provided ongoing data. Specifically, you should be prepared to discuss how well your programs performed in terms of your stated objectives for the fiscal year just ended; be able to explain variations from expected performance (positive as well as negative), trends and underlying explanatory factors; and how changes in program funding levels for FY 2001 (revised) and FY 2002 would affect performance. Your Annual Performance Review will serve as the guide for that discussion.

Each department or agency is also required to report its progress towards meeting equal opportunity hiring goals using the same methodology and format as in the FY 2001 budget submission. Agencies should be aware that only full time employees should be included in the computation of percentages based upon guidelines provided by the State's EEO office. The Equal Employment Opportunity (EEO) tables should be updated, revising where necessary, the data for minorities and females as a percentage of the workforce, and estimating the percentages for the current and budget fiscal years. These tables have been included on the disks mailed to each agency previously. Please return the disk along with the hard copy by September 13.

Background

Performance Based Management, a.k.a. managing for results, is taking hold at all levels of government in the U.S. and other countries. The motivation behind performance based government is the desire by administrations, legislatures and the public to know the

results that government programs have on the lives of people. Thus, governments are increasingly determined to measure the value added to taxpayers' dollars. This is not performance measurement for its own sake; the aim of these management initiatives is to *improve* government programs. Through strategic planning, monitoring and evaluation, and by tracking and reporting progress on identified performance measures, government becomes more publicly accountable for its efforts and activities. At the state level, departments and agencies are responsible for developing, implementing, monitoring, evaluating and reporting program performance as it relates to their missions and to the Governor's policies, as well as to state and federal mandates.

Performance Measurement Systems

While specifics may vary, performance measurement systems share several common features. All involve identifying desired program outcomes; setting goals or objectives for programs; selecting measures or indicators; reporting results; and using outcome or performance information as a continuous management tool. Program outcomes normally are determined as part of a strategic planning process involving policy makers, program managers and clients. After clarifying the agency's mission, goals are established for key programs that define the organization. This step answers the "Who are we and why are we here?" questions. Program goals and objectives are also established with input from policy makers and clients. They may be stated in terms of either final goals or intermediate goals and answer the "What do we want to accomplish and how will we know when we've succeeded?" questions. Program managers typically develop and oversee the implementation of action plans. They also develop the methods used to measure results, monitor progress and ensure accountability and continuous improvement. These activities are both internal and external to the program and answer the "How do we get there and how do we measure progress?" questions. Performance measurement systems are not linear; rather they are continuous loop systems involving constant feedback and adjustment. This process is illustrated in Figure 1.

Performance Measures

Performance measures or indicators fall into four categories: input measures, output measures, efficiency measures and outcome measures. Each has its uses and all should be used in program management. Please bear in mind that the State's statutes require the Budget Office to report outcome measures only.

- **Input measures.** Inputs are resources devoted to a program. They include dollars allocated and total employee-hours devoted to the program, activity or service.
- **Output measures.** These indicators report on the quantity of units produced or services provided. They may also report on the amount of effort expended to produce or deliver a product or service. Examples include the number of clients served, the number of permits reviewed, or the number of projects completed in given period of time. Output measures are often confused with outcome measures.
- **Efficiency measures.** These measures normally are used as an internal management tool to relate resource costs in dollars or employee time to unit of product or service output. Efficiency

measures may also be used to measure cost-per-unit-of-outcome and, as such, may be considered an outcome measure when efficiency is a significant program objective. For example, the number of applications processes per employee is an efficiency measure.

- **Outcome measures.** These indicators report the results of activities or services. These tools measure the effectiveness of an agency's performance and the public benefit derived. They represent the highest form of performance measures. Examples of outcome measures include the ratio of healthy births to total births; percent of reduction in recidivism for juvenile offenders; percent decrease of repeat complaints to a regulatory board; percent increase of tourists to new target markets; percent increase of third graders reading at third grade level; etc.

All of the performance measures described above are expressed in quantitative terms, usually as units, ratios, percentages or index numbers. A fifth category of measure, commonly referred to as **Explanatory Information**, may be expressed either quantitatively or qualitatively. This information deals with factors that affect an organization's performance. Such factors may be outside the organization's ability to control or within its control. Programs that require implementation by third parties, for example, may be beyond an agency's ability to control directly. Nevertheless, the program performance measures for such a program are still valid representations of progress toward achieving stated goals and objectives. Explanatory measures may also involve factors over which the department does exercise direct control as in the case of staffing patterns.

The relationship of the four major performance measures is depicted in Figure 2.

Reporting Requirements

For the purposes of preparing the FY 2001 Budget *only outcome measures* should be reported. The Budget Office, in meeting the statutory requirement, will not utilize other types of measures. Most departments and agencies completed development of initial program outcome measures with their FY 2000 submission. Others are continuing in their efforts to clarify their strategic missions, goals and objectives, and will present initial or revised program outcome measures for the first time. In all cases the process should be seen as iterative and continuous. Agencies with approved measures should review them to ensure that they are relevant to key agency goals and objectives as well as reliable and valid in terms of the information presented and the intent of the measure. It is especially important that agencies document what the program performance measures presented represent, what data sources are used, limitations on the measure, if any, and how the measure relates to the standards established.

Agencies that receive funding from federal programs that require the reporting of performance measures in support of the Government Performance and Results Act (GPRA) should attempt to use those measures as the basis for state program performance measures. In some cases, notably where state programs consistently exceed federal

standards, program objectives and standards should be modified. In all cases, the goal here is to avoid creating separate program performance measures for state and federal reporting requirements. Where departments and agencies are collaborating on programs, such as those associated with the Children's Cabinet, agency program performance measures supporting Children's Cabinet objectives should be identified and reported as such in an explanatory footnote.

Standards

Performance standards are quantifiable estimates of results expected for a given period of time. There are three basic methods for establishing standards: improvement on baseline performance, benchmarking and mandates. A baseline is usually established from the most recent measurement period available. If no data are available, industry or professional standards can be used. Benchmarking involves identifying best-in-class performance in other states or geographical regions and emulating it. State or federal mandates may be met or exceeded. Any of these three approaches is acceptable. Those who are accountable for the program, ideally with input from customers and stakeholders, should develop the standards. The best standards are those that are challenging but achievable and stretch the capacity and creativity of those involved.

For more information and assistance in developing appropriate performance measures, please contact your Robert Griffith at 222-5817 or Bill McKenna at 222-6415.

Technical Instructions

This section of the Budget Instructions is intended to provide specific instructions on: (1) the use of certain data provided by the Budget Office; (2) how to complete certain required forms; and (3) the format within which your budget request should be submitted.

Salary-Wage Projection Reports

The Salary-Wage Projection reports were developed many years ago as an aid to provide agencies with projections of personnel costs by position. Although the Budget Office and the Office of Information Processing attempt to verify the accuracy of the calculations through a testing of sample records, errors are still possible. Errors on these reports, such as no projection being calculated, are mainly due to errors appearing in the employee's personnel or payroll record, which preclude or in some way affect a calculation. These reports are for your assistance only. Each agency should perform its own sample testing of these calculations to assure their accuracy. If significant problems are found, please inform your Budget Analyst, so we can attempt to correct the problem in future runs.

These reports are all encompassing, including step and longevity increases for all filled positions (as of the date that the reports were run) for both FY 2001 and FY 2002. A cost of living adjustment of 3.0% has been included for FY 2002 in these reports. All calculations are based on the position and grade the employee was in on the date these reports were run. Therefore, if an employee has received a promotion (e.g. due to a desk audit) or has moved to a new job, these reports may not reflect this change depending upon the status of the personnel paperwork. Recalculations of these costs will need to be performed manually to achieve an accurate projection of personnel costs. Fringe benefits, including FICA, retirement, and the cost of the specific medical plan chosen by the employee, are also calculated. Specific information on the values used in these calculations can be found later under Planning Values.

How to Read the SWP Reports

The following is a guide to each of the fields presented on the Salary-Wage Projection Reports.

Detailed Salary-Wage Projection (Form BR2-E)

① FORM BR2-E		DETAILED SALARY/WAGE PROJECTION FY 1998				② BASE DATE 7/1/97		③ RUN DATE 7/5/97			
		⑥ FISCAL YEAR	⑦ START ANNUAL RATE	⑧ STEP INCREASE DATE	⑨ STEP INCREASE AMOUNT	⑩ PAY PLAN ADJUSTM DATE	⑪ PAY PLAN ADJUSTM AMOUNT	⑫ OTHER AMOUNT INCREASE	⑬ LONGEV % INCR DATE	⑭ INCREASE LONGEVITY AMOUNT	⑮ REQUIRED FOR YEAR
④ #00098	⑤ SR WORD PROCESSING TYPIST	98	20,982	11/23/97	246	7/6/97	605				21,833
⑬ 5/12/87	⑭ WILSON, J.	⑮ 037-11-1111	99	22,037	11/22/98	209	7/5/98	742			22,988

Item #	Description (Form BR2-E)
1	Form Name for the Detailed Salary-Wage Projections
2	Base Date is the date upon which the data used in the SWP reports was extracted from the personnel and payroll systems. Thus, even if the run date is much later, certain personnel actions (e.g. upgrades, new hires, etc.) will not be reflected if they were not in effect on the Base Date.
3	Run Date is the date these reports were actually produced using the data obtained on the Base Date.
4	Employee Position Number
5	Position Title
6	Fiscal Year for which data has been calculated.
7	Start Annual Rate is the total rate of pay for this employee at the time data was extracted from the payroll and personnel systems. This is the employee's base pay, plus longevity pay, incentive bonus and any supplemental pay, which this employee may receive.
8	Step Increase Date is the date upon which this employee will receive their next step increase as listed in their personnel record. If no date is listed in one of the two years, the employee has probably reached the top step of their respective grade.
9	Step Increase Amount is the difference between the employee's current step and the next step of their grade prorated for the number of pay periods for which the employee will be at the higher step. The COLA associated with this increase in FY 2002 is included in this amount and not in the Pay Plan Adjustment Amount.
10	Pay Plan Adjustment Date is the date in which a general pay plan adjustment (COLA) is scheduled to take effect. For FY 2002, this date is the beginning of the first full pay period of the fiscal year, or July 1, 2001.
11	Pay Plan Adjustment Amount is the increase in pay attributable to the COLA, prorated for the number of pay periods affected within the fiscal year. Note that the adjustment is to the base rate, not the total rate listed under Start Annual Rate. COLA's are not calculated on incentive pay, for example, and the COLA associated

with any step an employee may be receiving in the respective fiscal year is shown with the Step Increase Amount.

- 12 Other Amount Increase is reserved for flat amount changes projected in items such as supplemental pay, educational incentive, charge duty, etc. Amounts will rarely show in this column.
- 13 Longevity Increase Date is the date when this employee will receive a longevity percentage increase to their pay based on their base entry date. Longevity increase percentages are:
- 5 years 5 %
 - 11 years 10%
 - 15 years 15%
 - 20 years 17.5%
 - 25 years 20%
- 14 Increase Longevity Amount is the calculated increase resulting from a change in longevity prorated for the number of pay periods affected in the fiscal year. Longevity increases are calculated on an employee's base pay plus educational incentive.
- 15 Required for Year is the total funding required for this employee, assuming no change in status (e.g. upgrade), for the respective fiscal year.
- 16 This date is the employee's base entry date into state service as contained in their personnel record. Longevity pay increases are based on this date.
- 17 Employee's name.
- 18 Employee's Social Security Number.

Salary/Fringe Benefits Projection by Position (Form BR2-F)

① FORM BR2-F			SALARY/FRINGE BENEFITS PROJECTION BY POSITION						② RUN DATE: 7/5/97	
③ TITLE/ POS. NO.	④ EMPLOYEE NAME	⑤ SOC. SEC. NUMBER	⑥ EMP. SALARY	⑦ RETIRE #280	⑧ FICA #281	⑨ CASH BONUS #217/#218	⑩ HEALTH #295	⑪ DENTAL #297	⑫ VISION #298	⑬ TOTAL AMT.
SR WORD PROCESSING TYPIST 00098	WILSON, J	037-11-1111	22,988	2,756	1,759	156	1,532	221	41	29,452

Items #	Description (Form BR2-F)
1	Form name for Salary/Fringe Benefits Projection by Position Report
2	Run Date is the date these reports were actually produced using the data obtained on the Base Date.
3	Employee's Position Title and Position Number
4	Employee's Name
5	Employee's Social Security Number
6	Employee Salary is the total amount required for the respective fiscal year as calculated on Form BR2-E.
7	Retirement is the state's contribution to the Employees Retirement System for this employee.
8	FICA is the state's cost for social security and Medicare Tax contributions. Note: the social security piece of the FICA charge is limited to a maximum dollar amount (\$76,200) in 2000 and is calculated on a calendar year basis. This report attempts to calculate this share of FICA based on the calendar year earnings on each position. For this reason, the calculated amount may not exactly equal the salary times the FICA rate.
9	Cash Bonus is the amount to be paid to those employees who chose an HMO plan as part of the recent open enrollment.
10	Health is the annual cost of the medical plan chosen by this employee. For employees who waived medical coverage, this figure will be the amount of the bonus to be paid in the respective fiscal year.

- 11 Dental is the annual cost of the employee's paid dental plan. For employee's who waived coverage, this figure will be zero.
- 12 Vision is the annual cost of the employee's paid vision plan. For employee's who waived coverage, this figure will be zero
- 13 Total Amount is the total personnel and fringe benefit costs associated with this employee.

The data provided on these two reports will also be provided to each agency in electronic format. The data shown on the Form BR-2f is the basis for the detailed listing of positions by account, which is required in lieu of *Personnel Supplement Data* forms for each subprogram. This listing should show each position funded within an account, with subtotals by account and by program. Additional lines for turnover or program reductions should be inserted after each affected account as needed. These totals will provide the BOC totals for each personnel object code.

Payroll Accrual

Annually, at the end of the fiscal year, the State Controller's Office charges accrued payroll costs to all accounts that normally have payroll charges. The purpose of this accrual is to comply with the basic principles of accounting by recognizing expenditures in the period incurred. Since the first pay period of each fiscal year does not always begin on July 1, some days of this first pay period are worked in the old fiscal year, and some in the new fiscal year. For example, pay period 1 for FY 2000 began on June 20, 1999. Therefore, eight workdays (Monday – Friday) were actually worked in FY 1999, but were paid on the first payday of FY 2000 or July 9, 1999. Under accrual accounting, these eight days should be charged to FY 1999 and not FY 2000. The net charge to FY 1999 was one additional day, for a total of 26.1 pay periods.

In most years, in order to account for the additional cost associated with one net additional day each fiscal year, the state budgets a payroll accrual amount in BOC 274. This object code is used for budget purposes only, and will never have actual expenditures. The accrued payroll charges are charged directly to the applicable payroll object codes (see Planning Values table for a list). The Planning Values table instructs agencies to budget 0.4% (.004) of certain payroll codes for the payroll accrual. This percentage is calculated based on one workday out of 260 workdays in a fiscal year ($1/260 = .004$). This is the equivalent of one-tenth of one pay period, which is often how payroll accrual is referred to.

For FY 2001 only, the situation will be different. The first pay period of FY 2001 will start on June 18 (Sunday) and end on July 1 (Saturday) of 2000. The ten "working" days will be charged to FY 2000. Conversely, pay period 1 of FY 2002 (pay date of 7/6/2001) will start on June 17 and end on June 30 of 2001. The 10 working days will be charged to FY 2001. The net difference between the two will be 0. For this reason, no payroll accrual will be charged in BOC 274 in FY 2001. For FY 2002, one-tenth of one percent will resume being budgeted in BOC 274.

Revenue Data

The Budget Office will supply a spreadsheet file for each agency containing the general revenue receipt accounts for which the agency is responsible. For each receipt account, the following information will be provided:

- FY 1998 Actual Receipts
- FY 1999 Actual Receipts
- FY 2000 Actual Receipts
- FY 2001 Revenue Estimating Conference Estimate

The receipt information file will be distributed once final receipts and accruals for FY 2000 are recorded.

The agency will be responsible for providing a revised estimate of revenues for FY 2001 and an initial estimate for FY 2002. This file is the equivalent of the *Estimated Departmental Revenues* form (Form BR-8). The *Receipt Account Information* form (Form BR-9) should be used to provide additional data about each receipt account.

Expenditure Data

The Budget Office is providing two options for agencies to receive and submit data as part of the FY 2001 Budget Request process. The first option is the use of the Access SABRS (State Agency Budget Request System) that has been created for this fiscal year's process. This system is a Microsoft Access Database that provides data entry screens and various reports equivalent to those required in the Budget Request. Each agency wanting to use this system must have the Microsoft Access software to run the Access SABRS.

The second option is to receive a spreadsheet file containing data downloaded from the Budget Office database. Data for FY 2001 revised and FY 2002 would be submitted back to the Budget Office in the spreadsheet for uploading into the Budget Office database.

Each agency should contact Brenda Brodeur at 222-6417 to request one of these options. More information on how to use the Access SABRS and how to resubmit data to the Budget Office will be made available when the expenditure data is distributed. In order to provide the most complete FY 2000 expenditure data, expenditure information may not be available until late July or early August. More information on when this will be available will be provided when you call to specify your choice.

Form Explanations/Descriptions

Following are brief descriptions of each of the forms required in your budget submission. Copies of these forms are provided in electronic format (spreadsheet or word processing) for your convenience. Samples of these forms are contained in the *Forms/Samples* section of these instructions. If you have any additional questions about the proper way to complete a form, or the information required, please contact your Budget Analyst.

Form BR-1 – Agency Summary

This form provides a summary of the financial data for the entire agency or department. The information required for each fiscal year is:

1. Totals for each program within the agency.
2. Totals for each category of expenditure. The BOC's that comprise each category are shown in Table 2.
3. Totals for each source of funds.
4. Total number of FTE positions funded in the agency.

This data is derived from the Program Summary forms.

Form BR-2a – Personnel Supplement Data

Some general information on the completion of this form is contained under the Budget Request Preparation section of these instructions. This form should contain a listing of all personal services funded within the respective program. This would include:

1. Each position, in descending order of grade, grouped by position title.
2. Fringe benefit totals net of any turnover or program reductions. These amounts should equal the total of the respective object codes for each fringe benefit from all the accounts within the program. The cost of bonuses paid to employees choosing an HMO or waiving medical coverage (BOC's 217 and 218) should be displayed on a separate line entitled – "Medical Benefits – Salary Disbursements".
3. A separate line entitled - "Assessed Fringe Benefit" is included to reflect BOC 283, which replaces both unemployment compensation and workers' compensation lines. (see Planning Values).
4. Totals for consultant services (260 series of object codes and object code 275). Again, these amounts should equal the total of the respective object codes from all the accounts within the program.
5. Program reductions or turnover. These should be the salary portions of the savings only. Fringe benefit savings should be netted from the appropriate fringe benefit line.

Form BR-2b – Detail Listing of Positions

Most agencies, in the development of their budgets, prepare a listing of positions by account to determine the personnel funding required. This listing is often based on the salary and wage fringe benefit report provided by the Budget Office each year. This report (Form BR-2f) lists each position, the salary requirement for the respective fiscal year, and each of the fringe benefit costs (retirement, FICA, medical, etc.). In lieu of requiring a *Personnel Supplement Data* form for each subprogram, as had been the case in the past, we are requesting that a listing of positions by account by program be provided. No specific form is provided for this

purpose, but agencies are recommended to use the file of the Form BR-2f, as the basis for this listing. A sample of such a listing is provided in the Forms/Samples section of these instructions.

Form BR-3 – Program Summary

This form provides a summary of the financial data for an individual program. The information required for each fiscal year is:

1. Totals for each subprogram within the program.
2. Totals for each category of expenditure with the program. The BOC's that comprise each category are shown in Table 2 within the Planning Values section.
3. Totals for each source of funds.
4. Total number of FTE positions funded within the program.

This data is derived from the Subprogram Summary forms.

Form BR-4 – Subprogram Summary

This form provides a summary of the financial data for an individual subprogram. The information required for each fiscal year is:

1. Totals for each category of expenditure within the subprogram.
2. Totals for each source of funds.
3. Total number of FTE positions funded within the subprogram.

Form BR-5 – Expenditure Plan Adjustments

This form should provide a summary of the changes proposed in the FY 2001 budget from that enacted by the General Assembly. General revenue accounts should be grouped by program such that the totals in the enacted column tie into the Appropriations Act. Each general revenue account should be listed along with the FY 2001 Enacted amount and the FY 2001 Revised amount, whether it is different or not. The difference between the enacted and revised columns should be displayed in the Change column.

Federal accounts should be grouped by program such that the enacted column equals the federal funds line in the Appropriations Act. Restricted receipt and other fund accounts should be listed individually, but only if there is a change requested from the enacted appropriation.

The explanation field should be used to provide a brief explanation as to the need for the change (e.g. increased federal grant award). Substantive changes and requests for supplemental general revenue funding should be explained in detail on a *Narrative Information* form.

Form BR-6a – BOC Detail

There is no specific template provided for this form. This information will be dependent upon the system used to develop your budget (e.g. spreadsheet, database, SABRS). The information required is:

1. Account Number
2. BOC
3. FY 1999 Actual Expenditures
4. FY 2000 Actual Expenditures
5. FY 2001 Enacted Budget
6. FY 2001 Revised Budget
7. FY 2002 Request

Data should be grouped by subprogram, listed in account number order with a total for each account.

Form BR-6b – BOC Detail Backup Information

This form is used to provide additional backup and documentation associated with major areas of expenditures as explained earlier under the Budget Preparation section of these instructions. The information required is:

1. Account Number
2. BOC
3. FY 2001 Revised Funding Amount
4. FY 2002 Requested Funding Amount
5. An explanation or description of the items or services to be purchased with these funds.

Form BR-7 – Federal/Restricted Account Estimates

This form will be used to provide detail information about federal and restricted accounts and an explanation of the derivation of the requested funding levels. Information on this form should include:

1. Account Number
2. Account Name
3. Statutory Basis (for restricted accounts) or CFDA # (for federal accounts)
4. Granting Agency (for federal accounts)
5. Grant Period (for federal accounts) – what is the standard grant period for this grant; does it follow the state fiscal year, federal fiscal year or some other period?
6. Explanation of the purpose of the federal grant or the mandated use of the restricted funds. What is the funding in this account to be used for and what is it intended to accomplish?
7. Use the table to provide the derivation of the requested budget levels. Certain categories are provided for your assistance, but agencies should replace these as necessary to best explain the

components of their estimates. Use the “Explanation” section to provide any further documentation of the requested budget.

Form BR-8 – Estimated Departmental Revenues

This form will be provided on diskette with history data, and the current year estimate provided. The agency will be responsible for providing a revised estimate of total receipts for the current fiscal year and an initial estimate for the budget year. These estimates will be used in the development of budget office estimates for the November Revenue Estimating Conference. Data to be distributed is dependent upon the Controller’s Office closing process, and will not be available until late July or early August.

Form BR-9 – Receipt Account Information

As backup to the Estimated Departmental Revenues, a Receipt Account Information form should be prepared for each receipt account under the agency’s responsibility. Many receipt accounts include the collection of various different fees. This form is intended to provide the reader with an understanding of what fees are collected and how the estimated revenues have been determined. This form should include the following information:

1. Receipt account number as shown on Form BR-8.
2. Receipt account name as shown on Form BR-8.
3. The R.I. General Law reference(s) that authorizes the collection of these fees, licenses, etc.
4. A general description of the fees collected. Who are they collected from? What are the fees? When are they collected? Are they annual, biennial, etc.? What are the renewal time frames?
5. Describe how the FY 2001 Revised revenue estimate was determined. (e.g. Number of licenses x a certain fee)
6. Describe how the FY 2002 revenue estimate was determined. If the same as FY 2001, state as such.

Form BR-10 – Narrative Information Form

This form is simply a word processing template for use when providing most of the narrative explanations or descriptions requested as part of the budget submission. The name of the agency, program and/or subprogram should be provided when applicable.

Form BR-11 – Program Performance Measurement (discontinued)

To avoid the need to recreate these forms for performance measures used in the FY 2001 Budget document, the Budget Office has distributed copies of the pages used in the Technical Appendix describing each measure. These pages should be updated for actual measurement data for FY 2000, revised data for FY 2001 and estimated data for FY 2002. If an existing

measure is no longer deemed useful, an explanation as to why should be provided.

Form BR-12 – Information Technology Information

See page 34 under Information Technology Supplemental Presentation

Form BR-13 – Information Technology Projects

See page 34 under Information Technology Supplemental Presentation

Format of Budget Submission

The following is the order of presentation for the Budget Forms. As mentioned earlier, the budget document should be numbered either sequentially or by section. For ease of use, we suggest that each major section (e.g. General Agency Information, Revenue Data, etc.) and each program separated into individual sections with separate tabs. The form to be used or associated with each section is shown in parentheses.

Budget request submissions should be in a bound format, preferably a three-ring binder, and should be labeled.

- Letter of Transmittal
- Table of Contents
- General Agency Information
 - Agency Description (BR-10)
 - Agency Summary Form (BR-1)
- FY 2001 Revised Budget
 - Supplemental Budget Request
 - Expenditure Plan Adjustment Forms (BR-5)
- Revenue Estimates and Data
 - Estimated Departmental Revenues Form (BR-8)
 - Receipt Account Information Forms (BR-9)
- Program 1 Information
 - Program Narrative Information (BR-10)
 - Program Summary Form (BR-3)
 - Personnel Supplement Data Form (BR-2a)
 - Detail Listing of Positions (BR-2f)
 - BOC Detail (if no subprograms) (BR-6a)
 - BOC Detail Backup Information (if no subprograms) (BR-6b)
 - Federal/Restricted Account Estimates (if no subprograms) (BR-7)
- Subprogram 1 Information (as applicable)
 - Subprogram Narrative Information (BR-9)
 - Subprogram Summary Form (BR-4)
 - BOC Detail (BR-6a)
 - BOC Detail Backup Information (BR-6b)
 - Federal/Restricted Account Estimates (BR-7)
- Subprogram 2 Information

- Subprogram Narrative Information (BR-9)
 - Subprogram Summary Form (BR-4)
 - BOC Detail (BR-6a)
 - BOC Detail Backup Information (BR-6b)
 - Federal/Restricted Account Estimates (BR-7)
- Program 2, etc.
- Performance Measures
- Information Technology Supplemental Presentation (BR-12)
- Miscellaneous Information

Planning Values

Listed on Table 1 are the planning values for various budget object codes that should be utilized in the preparation of the FY 2001 revised and FY 2002 budgets. The values relating to personnel are the ones used in the development of the Salary-Wage Projections. Other values are either established on a statewide basis or have a specific rate that should be used when developing your budget estimates.

All **debt service**-related values will be budgeted centrally (within the Department of Administration) for both FY 2001 and FY 2002. The Budget Office will make any required adjustments at a later date.

The FY 2002 budget will be prepared in a manner consistent with the Office of Management and Budget (OMB) Circular A-87 that identifies the principles for allowable costs for federal programs. There will be an **assessed fringe benefit** that will include several components in order to capture charges through a cost allocation system. OMB A-87 stipulates that payments for unused leave, unemployment and worker's compensation for current or former employees be allocated as a general administrative expense to all activities of the government unit. Therefore, individual agencies will not be charged for the actual costs attributable to their employees for unused leave, worker's compensation, or unemployment, but rather charged a statewide benefit assessment that is charged as a percentage of payroll. Funds for worker's compensation or unemployment should not be budgeted separately; they will be funded from the statewide benefit assessment.

Also, section 28-31-8 of the Rhode Island General Laws requires that the state pay a share of the assessment levied by the Department of Labor and Training for the Worker's Compensation Administrative Fund. This assessment is utilized to fund services provided by the Donley Center, the Worker's Compensation Court, and to fund certain administrative costs relating to Workers' Compensation. This charge became effective with the fiscal year 2000 budget year and, consistent with OMB A-87, will also be a general administrative expense.

The total rate of payroll to be budgeted in BOC 283 for this assessed fringe benefit in FY 2001 and FY 2002 is 3.14 percent.

If you have any questions about any of these planning values, or need additional information about an object code not listed, please contact your budget analyst for assistance.

Table 2a is a listing of all budget object codes by category. This list should be used in the development of the agency, program and subprogram summary forms when summarizing expenditures by object. Table 2b provides a listing of the codes used by the Budget Office in our database to distinguish functions, funds, and categories of expenditure. This table will be most helpful in preparing the Personnel Supplement Data forms to assist you in identifying which object codes are assigned to which line.

Table 1
Planning Values for the FY 2001 Revised and FY 2002 Budgets

	BOC	FY 2001 Revised Budget	FY 2002 Estimates	Notes
Retirement				
State Employees				
Regular	280	7.99%	11.35%	Applied to salaries of permanent employees.
Retiree Health Insurance	294	0.86%	0.86%	Applied to salaries of permanent employees.
Total		8.85%	12.21%	
Judges	276	31.09%	31.58%	Applied to salaries of judges hired after 12/31/89.
State Police	277	25.89%	26.28%	Applied to salaries of State Police hired after 7/1/87.
Teachers		12.01%	14.71%	
FICA				
Social Security Rate	281	6.20%	6.20%	This portion of FICA is calculated on salaries and overtime up to an established level on a calendar year basis. The estimated salary limits for affected calendar years are: 2000 \$76,200 2001 \$80,200 (prelim.) 2002 \$84,200 (prelim.)
Medicare Tax	281	1.45%	1.45%	This portion of FICA is applied to 100% of salaries and OT.
Assessed Fringe Benefit		3.14%	3.14%	Applies to direct salaries (excluding OT) (BOC 210,220,230,240,250,251,255)
Unemployment Compensation	282	0	0	Budgeted under assessed fringe benefit
Worker's Compensation	570-579	0	0	Budgeted under assessed fringe benefit
Cost of Living Adjustment		Unknown	6.09%	No COLA has been negotiated for FY 2001. The FY 2002 targets have assumed that FY 2002 salaries will be 6.09% higher than FY 2000 salaries. This would translate into a 3.0% increase sometime during FY 2001 and a second 3.0% increase at the beginning of FY 2002.
Payroll Accrual	274	0.00%	0.40%	Applied to the following BOC's: 210,220,230,240,250,251,255,276,277,280,281,284,285,286,294. None required in FY 2001
Medical Benefits	295			See attached for individual health plans by fiscal year & type of plan (individual or family)
Weighted Average		6,214.00	6,953.00	Use this value when budgeting for vacant positions.
Dental Plan	297			See attached for individual health plans by fiscal year & type of plan (individual or family)
Weighted Average		538.00	549.00	Use this value when budgeting for vacant positions.

Table 1
Planning Values for the FY 2001 Revised and FY 2002 Budgets

	BOC	FY 2001 Revised Budget	FY 2002 Estimates	Notes
Vision Plan	298			See attached for individual health plans by fiscal year & type of plan (individual or family)
Weighted Average		76.00	80.00	Use this value when budgeting for vacant positions.
Cash Bonuses to Employees Choosing HMO Plans - Individual Plans				
Blue Chip	217	156.00	156.00	
United Health	217	156.00	156.00	
Harvard/Pilgrim	217	156.00	156.00	
Tufts	217	92.04	92.04	
Cash Bonuses to Employees Choosing HMO Plans - Family Plans				
Blue Chip	217	390.00	390.00	
United Health	217	390.00	390.00	
Harvard/Pilgrim	217	390.00	390.00	
Tufts	217	215.80	215.80	
Cash Bonus to Employees Waiving Medical Insurance				
Bonus	218	1300.00	1300.00	Payments will be made in December of each year.
Non-Personnel Related Object Codes				
Public Buildings Authority	384			Budgeted centrally in DOA
Non-G.O.Debt Service	794			Budgeted centrally in DOA
Debt Service	791 792			Budgeted centrally in DOA
Insurance	326			Updated amounts to be distributed in late August.
Employee Mileage Reimb.	341			Current rate is .325/mile
Employee Assistance	269			Budget \$8.70/employee/account in FY 2001 and \$9.70/employee/account in FY 2002. Amount is based on estimated cost of EAP contract.
Single State Audit Fee	459			Federal accounts only - Budget .1% (.001) of federal funds.

Revised Planning Values - Medical Benefits Costs
(Budget Instructions FY 2002)

Health Insurance Plan	FY 2001 Planning Value	FY 2002 Planning Value
<i>Indemnity</i>		
Classic Blue Cross & Blue Shield		
Health	3,297	3,719
Vision	41	43
Dental	234	238
Individual	3,572	4,000
Health	9,266	10,428
Vision	88	92
Dental	654	667
Family	10,008	11,187
<i>PPO</i>		
State Blue		
Health	2,615	2,926
Vision	41	43
Dental	234	238
Individual	2,890	3,207
Health	7,332	8,202
Vision	88	92
Dental	654	667
Family	8,074	8,961
United Health Care Choice Plus		
Health	2,615	2,926
Vision	41	43
Dental	234	238
Individual	2,890	3,207
Health	7,331	8,202
Vision	88	92
Dental	654	667
Family	8,073	8,961

Revised Planning Values - Medical Benefits Costs
(Budget Instructions FY 2002)

Health Insurance Plan	FY 2001 Planning Value	FY 2002 Planning Value
<i>HMO</i>		
Blue Chip		
Health	2,125	2,377
Vision	41	43
Dental	234	238
Individual	2,400	2,658
Health	5,950	6,656
Vision	88	92
Dental	654	667
Family	6,692	7,415
United Health Care Select		
Health	2,125	2,377
Vision	41	43
Dental	234	238
Individual	2,400	2,658
Health	5,950	6,656
Vision	88	92
Dental	654	667
Family	6,692	7,415
Weighted Average Annual Cost Per FTE Position - All Plans		
Health	6,214	6,953
Vision	76	80
Dental	538	549
Total	6,828	7,582

Table 2A
Definition of Categories of Expenditures

Generally, the amounts reflected in the categories of expenditures in the *FY 2001 Executive Summary* and *FY 2001 The Budget* were derived by identifying amounts spent or budgeted in certain budget object codes. However, there may be instances when an expenditure item should be classified in a different category of expenditure due to the definitions described below:

State Operations includes personnel and operating.

Personnel includes expenditures for salaries and wages, fringe benefits, consultant services, and workers' compensation costs. *The personnel category includes all payments for individuals who perform services for the state.*

205	Classified Holiday	275	Intergov. Contractual Trans.
210	Classified Regular	276	Judges - Retirement Costs
211	Buy-Back Classified	277	Police - Retirement Costs
214	Correct. Officer Briefing	280	Employee Retirement
215	Classified Overtime	281	Social Security FICA
216	Payment of Unused Accrued Leave	282	Unemployment Compensation
217	Cash Bonus for Health Maintenance Organization Participation (HMO)	283	Assessed Fringe Benefit
218	Family Medical Waiver Bonus	284	Group Life Insurance
219	Salary Deferral	285	Federal Retirement
220	Classified Limited	286	TIAA Payments
225	Classified Limited Overtime	287	Disability Insurance TIAA
230	Unclassified Regular	288	Special Contractual Stipends
231	Buy-Back Unclassified	289	Employer Cost Group TDI – Higher Education
235	Unclassified Overtime	291	Employer Cost Medicare
240	Unclassified Limited	292	Sepp - Narr. Bay Commission
245	Unclassified Limited Overtime	294	Employers Cost - Ret Health Insr
246	Unclassified-Holiday	295	Medical Insurance
248	Retirement Incentive – Higher Education	297	Dental Insurance
250	Nonclassified Permanent	298	Vision Insurance
251	Nonclassified Limited	570	WC Weekly Payment
252	Graduate Assistantships	571	WC Dependent Payment
255	Nonclassified Part-time	572	WC Postmax Payment
256	Nonclassified Holiday	573	WC Special Injury Payment
258	Nonclassified Overtime	574	WC Practitioners Charge
259	Retirement Incentive Bonus	575	WC Facility Charge
261	Medical Services	576	WC Equipment Charge
262	Architect/Engineering Service	577	WC Attorney/Witness
263	Lecture Education Art Service	578	WC Psychiatric
264	Building/Ground Service	579	WC Alternative Care
265	Security Fire Protection Services		
266	Legal Services		
267	Management/Audit Services		
268	Clerical Services		
269	Other Services		
270	WC Regular Case		
273	WC-Assault Case		
274	Payroll Accrual		

Operating expenses include non-personnel expenditures for operations of state government including maintenance and non-fixed equipment (capital outlay). One exception is the treatment of medicine and drug expenditures for the pharmaceutical assistance program, which are reflected as grants and benefits.

310	Sponsored Project Administration – Higher Ed	407	Steam Heat
320	Telephone-Cellular/Mobile	409	Central Electricity
321	Postage	410	Electricity
322	Telephone/Telegraph	411	Water
323	Office Expenses	412	Sewer
324	Dues/Subscriptions	420	Clothing
325	Freight/Cartage	421	Safety Equipment
326	Insurance	422	Inmate Clothes
327	Centrex Telephone	423	Officers' Clothes
328	Record Center Charges	430	Patients' Linen
330	Print Shop Expenditures -DOE	431	Agricultural Supplies
331	Printing/Binding	432	Education & Recreation Supplies
332	Advertising	433	Household Supplies
334	Lottery-Agent Material	434	Medical/Surgical/Lab Supplies
336	Lottery-Public Relations Radio & Television	435	Military Supplies
341	Mileage Allowance	436	Highway/Landscaping Supplies
342	Out-Of-State Travel	437	Building/Machinery Supplies
343	Other Travel Cost	438	Central Information Technology Services
345	Travel & Trans. - State Wards	439	Medicine & Drugs
351	Automotive Maintenance	440	Management Information Service
352	Rent State Cars	441	Staff Education
353	Rent State Trucks	442	Computer Supplies
361	Repairs To Buildings	443	Expenses of Bonds and Notes
362	Repairs-Highways	444	Food Stamp Transaction Cost
363	Repairs-Other	445	Computer Software
368	Repairs - Conservation (CUF)	446	Management Info. Serv (Health Dept.)
369	Repairs - Lighting Narr Electric	451	Central Laundry Service
371	Automotive Equipment	452	Facilities Service Charges
372	Building and Plant Equipment	453	Bankcard Purchase
373	Construction Equipment	454	Workers Comp Admin Expenses
374	Educational and Recreational Equipment	455	Misc. Operating Expenses
375	Farm Equipment and Livestock	456	Nursing/Conval. Facilities
376	Household Furniture and Equipment	457	Inventory Purch/Rotary
377	Medical Surgical and Lab Equipment	458	Purchase of Services – Statewide Planning
378	Office Furniture and Equipment	459	Audits Of Fed Progr By Ag
379	Other Equipment Replacements	649	Computer Software
381	Rental-Property	650	Component Parts
382	Rental-Equipment	651	Automotive Equipment
383	Rental-Clothing	652	Building/Plant Equipment
385	Rental-State Property	653	Construction Equipment
389	Master Lease	654	Education/Recreation Equipment
390	Food Purchases	655	Farm Equipment/Livestock
391	Food-Instit Empl Cft	656	Household Equipment
401	Fuel-Oil #1 - Kerosene	657	Medical/Laboratory Equipment
402	Fuel-Oil #2 - Home	658	Office Equipment
403	Fuel-Oil #4	659	Other Equipment
404	Fuel-Oil #6	660	Computer Equipment
405	Fuel-Coal (Heating)	797	Lease Payment Purchases
406	Fuel-Gas (Heating)	889	Provider Assessment - MHRH

- 890 Interfund Transfer/Provider Assessments
- 891 Fed Income Tax Withholding
- 892 Late Payment Interest Charge
- 893 Refund Other Non-Expense
- 894 Interfund Transfer
- 895 Sinking Fund Maturity
- 896 Transfer Individual Cost Recov
- 897 Insurance Programs - Premiums
- 898 Insurance Prg - Reimbursement
- 899 Other

Aid to Local Units of Government includes aid and payments to local governmental entities, which are generally in the form of grants. This includes grant payments made by the Department of Library Services to local libraries, and grants payments made by the Department of Elementary and Secondary Education to local school departments and Police and Fire incentive benefits payments made by the Department of Administration. Local governmental entities include all local subdivisions with governing and taxing authority.

- 472 Teachers Pension
- 478 Survivor Benefit Police/Fire
- 479 Survivor Benefits Teachers
- 487 Retirees' Medical Insurance
- 490 Retirees' Vision Care
- 565 Education Aid – Payments to Local Government
- 583 Roads - Grants
- 880 Intergovernmental Grants, Payments & Transfers

Grants and Benefits include all grants and benefits to individuals or organizations without taxing authority, either direct or through reimbursements to cities and towns for public assistance, and grants to other entities, such as private non-profit providers. Appropriated pension benefits to certain former state employees are also included. As described above, this category includes expenditures in the medicaid program for services and supplies, and the pharmaceutical assistance to the elderly program, while excluding workers' compensation, which is classified as personnel. Also included in this category are payments for the Supplemental Security Income program in the Department of Human Services.

471 Retirement Payments	584 Support Dependent
473 Other Pensions	585 Payment of Claims
475 Police/Fire Pensions	588 Support of Certain Organizations
476 Cost Of Living Adjustment	589 Other – Grants
477 Early Retirmt - Annual Bonus	590 Grantee - Administration
481 Death Benefit Post Retirement	591 Grantee Services (Health)
482 Death Benefit Pre-Retirement	592 Sub Grantee Administration
483 Soc Sec Supplement - Retired	593 SSI- Reimburse Federal Government
495 Health Insurance - Retirees	595 Sub Grantee Allowances
566 Public Campaign Financing	596 Sub Grantee Wages
567 MMIS Medicaid Payments - Taxable	598 Sub Grantee Advances
568 MMIS Medicaid Payments - Non-Taxable	599 Non State SDA Advances (DLT)
569 Injured Workers' Incentive Benefits	886 Federal Reimbursements
580 Public Assistance Medical	
581 Public Assistance Subsistence	
582 Education Grants	
583 Non-Taxable Claims, Settlements	

Capital includes capital debt service and capital improvements.

Capital debt service includes the payments on long term obligations, general obligation bonds, Rhode Island Public Buildings Authority lease payments and Certificates of Participation for the Intake Service Center and Attorney General Administration Building. This also includes the transfer of the dedicated portion of the sales tax to the Depositor's Economic Protection Corporation used for the payment of debt service, and the amount appropriated to the Convention Center Authority and the Rhode Island Port Authority for the Shepard's Building. This category also includes short term interest on tax anticipation notes.

384 Rental-PBA
387 Convention Center Lease Payments
388 Rental Payments - COPS
791 Interest Sinking Fund
792 Redemption Of Bonds
793 Accreted Interest
794 Non G.O. Debt Service Payments
795 Redemption of Short Term Borrowing
796 Interest Short Term Borrowing
797 Lease-Purchase Payments

Capital improvements reflect only structural improvements or acquisition of fixed equipment for buildings and roads.

661 Building/Other Structures
662 Highway Construction
663 Improvements Non-Buildings
664 Land

Table 2B
Database Categories

Function Codes

10	General Government
20	Human Services
30	Education
40	Public Safety
50	Natural Resources
60	Transportation

Fund Types (Fund)

1	General Revenue
5	Federal
8	Restricted Receipts
0	Other Funds
9	Internal Service

Categories of Expenditures (Category Code)

10	Personnel
20	Other State Operations
30	Aid to Local Units of Government
40	Assistance, Grants and Benefits
50	Capital Improvements
60	Capital Debt Service

Personnel

Direct Salaries and Wages
Employee Benefits
Overtime
Medical
Retirement

Health
FICA
Other
Holiday

Budget Object Codes

202 – 255,299
280 - 298
214,215,225,235,245,258
217,218
248,276-280,285,286,
292,294
291,295 – 298
281,285
259,284,287,288,289,293
205,246,256

Table 2B

Payroll Accrual	274
Unemployment	282
Consultants	261 – 269,275
Workers Compensation	270,273,570-579
Assessed Fringe Benefit	283
<u>Other State Operations</u>	
Operating	302-383,385,389 - 461,497- 499
Equipment Purchases	650 – 660,797,884
Miscellaneous	889 – 899,
<u>Aid to Local Units of Government</u>	
472,474,478,479,880	
<u>Assistance, Grants and Benefits</u>	
Benefits	471,473,475,476,477,481-495
Grants	566-569,580-585,588-599,886
<u>Capital Improvements</u>	
661-664,669,698,699,901,902,905	
<u>Capital Debt Service</u>	
384,387,791,792,794,796,798,799	

FTE Cap Increase Requests

Article 1, Section 12 of the FY 2001 Appropriations Act defines the procedure for obtaining an adjustment to a full time equivalent authorization level. Similar to the procedure for obtaining increases in federal and restricted receipt account appropriations, any adjustments to FTE authorizations must be approved, at the recommendation of the State Budget Office, by the Governor, the Speaker of the House and the Senate Majority Leader.

Agencies or departments that require an increase to their current FTE authorization limit, as established in the FY 2001 Appropriations Act (see Table 3), should include such a request in their FY 2001 Revised Budget request. Within each subprogram where additional FTE positions are being requested, the following questions should be answered on a *Narrative Information* form (Form BR-10).

- What is the critical need for the position(s)?
- What will the position(s) be doing?
- Why can't present staff perform the function(s)?
- If additional FTE's are not provided, how will the program be impacted?

If an increase to the current FTE authorization is required subsequent to the submission of the budget in October, agencies may submit a separate request, at any time during the fiscal year, which provides the same information as requested above. This request should be addressed to the Budget Officer. The Budget Officer will make a determination within 10 business days of receipt of the request. If approved, the appropriate paperwork will be submitted to the Governor, the Speaker of the House, and the Senate Majority Leader for their signatures.

Supplemental Presentation of Information Technology and Information Resources Budget

Introduction

In accordance with RIGL §35-3-4, we are asking you to complete a supplemental presentation of your departmental (agency) budget illustrating “. . . estimates of expenditures for information resources and information technologies . . . regardless of source of financing . . .”.

Since much of the information required by this law is adequately defined by discrete budget object codes, we can extract this information from your overall budget request. There are really only four areas in which we need further definition: personnel, consultants, training, and equipment leases. We also are requesting a summary of your planned IT projects. It is in these categories that we are asking you to provide additional information.

Please remember that *the supplemental presentation is an extract from your budget*, not a request for additional funds. This information will be the basis for the plan of expenditures for information resources to be approved by the Legislature as stipulated in RIGL §35-3-26. Please note the following guidelines when gathering data and completing forms BR-10 and BR-12.

What's new this year?

1. Form BR-12 this year includes columns for identification of relevant account numbers and for descriptive notes. Please be as specific as possible, and try to coordinate your notes with your narrative descriptions of "Major Projects" wherever possible.

For example, please include internal expenses related to the implementation of the statewide Financial Management Information System (FMIS) on form BR-12, but also list them as a separate project narrative (for those agencies expected to be involved in this project in FY 2002).

2. The "training" category this year includes training of non-IT staff in the utilization of information technology, i.e. telephone and computer hardware and software.

Scope

The legislation referenced above refers to section 29-8 of the General Laws, which creates the Information Resources Management Board. This section of the law provides definitions of the two terms integral to the development of the supplemental presentation. These terms are *information resources* and *information technology*, which are defined as follows:

Information resources means the procedures, equipment, materials, and software that are designed, built, operated, and maintained to collect, record, process, store, retrieve, display, and transmit information, and associated personnel.

Information technologies (IT) means data processing and telecommunications hardware, software, services, supplies, facilities, maintenance, and training which are used to support information processing and telecommunications systems.

These definitions are very broad and encompass a wide range of items that must be included in the supplemental presentation. The simplest method of obtaining this data would be to identify specific object codes that should be included, and list all funding requested for these

codes. Unfortunately, due to the broad descriptions of many BOC's, only a portion of expenditures in those BOC's will meet the above definitions. This IT-related funding must be extracted from those broad BOC's and identified here independently of the overall funding request. For example, all personnel with responsibilities related to information technology need to be identified. Not all personnel have IT responsibilities; therefore, only a portion of the funding for personnel BOC's (that portion representing staff with IT responsibilities) will be shown.

In addition, the law requires this information for all sources of funds. This includes general revenue appropriations, federal funds, restricted receipts, bond funds, university funds, and any other funds to which an agency has access.

Below is a listing of those budget object codes that the Budget Office believes will include the majority of expenditures related to information technology and information resources. It is possible that funding, which would fit one of the above definitions, could be contained in other BOC's, or in some other funding source not identified on the State's accounting system. Therefore, it is up to each agency to identify all expenditures that are related to information resources or information technology and include them. The following information should provide a good starting point for all agencies, and assist in determining what items should be included in this presentation.

Personnel

- *Staff* (Personnel BOC's 205-259, 280-299) - any staff with responsibilities in management or technical support of information technology need to be identified. This does not include staff whose connection with information resources is solely as end users of information technology, such as clerical staff who use word processing or spreadsheets, designers who use CAD equipment, or data entry staff who utilize terminals, etc. This does include staff who works in this field full-time, plus those who may devote only a small percentage of their time to the IT-area. All personnel costs related to these staff, prorated for the estimated time spent on information technology projects, should be identified. Funding for staff allocated over various accounts should be summarized to show the total funding devoted to IT-functions.
- *Contractual Services (Professional) - Management/Audit Services (BOC 267)* - any individuals or companies engaged to provide assistance in the development of information technologies and/or resources. This could include studies, database development, Web page design, etc.
- *Contractual Services - Clerical/Other (BOC's 268 & 269)* - any individuals or companies hired to provide computer or information technology-related support services, other than those whose relationship to information resources is simply as an end user of information technology.

Training:

Include only training of staff in the use of information resources or information technology; i.e. telephone or computer related hardware or software. Do not include training in procedures that only incidentally requires the utilization of computers.

- *Contractual services – training (BOC 263)* - any individuals or companies engaged to provide training for staff in information technology,
- *Educational Supplies (BOC 432)* - expenditures for any educational materials used in computer or information technology-related training.

- *Staff Education (BOC 441)* - expenditures for training and education of employees (including Office of Training and Development courses) in computer-related topics.
- *Dues and Subscriptions (BOC 324)* - major expenditures resources (dues to organizations, major subscription agreements, Internet provider services) connected to the information resources and/or technologies field. Individual subscriptions to a computer magazine do not have to be listed.

Computer/Telecommunication Equipment and Software:

- *Rental of Equipment (BOC 382)* - expenditures for leases or lease purchase arrangements for computer equipment or software.

Other Budget Object Codes, such as Computer Software (445) and Computer Equipment (660), are discrete IT BOC"s and will be extracted from your overall budget request.

Use Form BR-12 - Information Technology Funding to provide the information requested. This form should be completed by program by account. If funding is not part of an appropriation account, list the source of the funds. Use the notes section of this form to provide any brief comments that may be useful in explaining the funding amounts or significant changes between fiscal years and to coordinate with the presentation of Major Projects. More in-depth explanations should be provided when describing projects as explained below.

Major Projects:

In order to obtain a better overview of the types of information technology projects being undertaken throughout state government, a general description of each project is requested in this supplemental presentation. It is difficult to specifically identify what activities would fit within this category. The IRMB legislation provides the following basic definition of a "project" that should be used as a guide in determining if a particular activity within your agency should be included.

- *Project* means a program to provide information technologies support to functions within an executive branch agency, which should be characterized by well defined parameters, specific objectives, common benefits, planned activities, expected outcomes and completion dates, and an established budget with a specified source of funding.

The purchase of a few computers for a particular program would probably not be included within this category, unless it was part of a larger project to computerize and network an entire agency. A plan to establish a new database from the initial design, through development, and implementation would be included. Projects that are currently underway or in the planning stages should be described, along with their current status. Previously completed projects should not be included.

Major project descriptions

Please use Form BR-10 (*Narrative Information*) to provide the following descriptive information about each of the projects that you list:

Project Name

Project Description: a brief description of the project that will give the reader a general understanding of what the project is intended to accomplish for the agency or program.

Basis of Need: those elements driving the need for this investment in information technology. These may include state or federal mandates; consumer or client demand for information availability; policy changes affecting the way services are delivered; new advances in technology; etc.

Project Benefits: the benefits expected to be realized from the project.

Funding/Sources: the total estimated cost of the project should be provided, along with the planned funding sources. If federal funds are involved, are these funds specifically intended for this project (e.g. no project, no funding); are there state matching requirements?

Out-year Costs/Savings: what on-going costs or savings are anticipated to result from this project subsequent to FY 2002? Additional personnel needed to operate a new system, savings due to more efficient processing of data; maintenance contracts for hardware, etc. are the types of items that should be included. Only additional costs, above current funding levels, should attempt to be identified. If current funding will simply be shifted to fund new costs, this would not be an additional cost.

Due Date

The Information Technology and Information Resources supplemental presentation to the FY 2002 Budget is due by law on **October 1**.

Copies of this document should be submitted to the Budget Office (4 copies), House Fiscal Office and Senate Fiscal Office. The Budget Office will forward one of these copies to the Chief Information Officer and the Information Resources Management Board and one to the Governor's Policy Office. Computer files of the Forms used in your presentation should also be provided.

Comments

Your comments about this process are welcome. Please send notes via e.mail to howardbm@doa.state.ri.us or via hard copy to Howard Boksenbaum, DOA/OLIS One Capitol Hill, Providence, RI 02908.

Table 3 - Full-Time Equivalent Positions

	FY 2001 Enacted
General Government	
Administration	1,137.0
Business Regulation	111.0
Labor & Training	561.0
Legislature	280.0
Lieutenant Governor	10.0
Secretary of State	57.2
General Treasurer	87.5
Boards for Design Professionals	4.0
Board Of Elections	21.3
Rhode Island Ethics Commission	10.0
Governor's Office	50.0
Public Utilities Commission	44.0
Rhode Island Commission on Women	2.0
Subtotal - General Government	2,375.0
Human Services	
Children, Youth, and Families	875.9
Elderly Affairs	60.6
Health	476.1
Human Services	1,142.9
Mental Health, Retardation, & Hospitals	2,138.0
Office of the Child Advocate	13.0
Commission On the Deaf & Hard of Hearing	3.0
RI Developmental Disabilities Council	3.0
Governor's Commission on Disabilities	4.6
Commission for Human Rights	15.0
Office of the Mental Health Advocate	3.3
Subtotal - Human Services	4,735.4

Table 3 - Full-Time Equivalent Positions

	FY 2001 Enacted
Education	
Elementary and Secondary	343.2
Higher Education - Board of Governors	3,503.9
RI State Council On The Arts	6.0
RI Atomic Energy Commission	8.6
Higher Education Assistance Authority	46.6
Historical Preservation and Heritage Commission	17.6
Public Telecommunications Authority	22.0
Subtotal - Education	3,947.9
Public Safety	
Attorney General	228.0
Corrections	1,596.6
Judicial	700.0
Military Staff	94.0
E-911	47.6
Fire Safety Code Board of Appeal and Review	2.0
Fire Safety and Training Academy	21.5
Commission on Judicial Tenure and Discipline	1.0
Rhode Island Justice Commission	9.0
Municipal Police Training Academy	4.0
State Police	266.0
Office of the Public Defender	75.5
Sheriffs of Several Counties	167.0
Subtotal - Public Safety	3,212.2
Natural Resources	
Environmental Management	584.5
Coastal Resources Management Council	28.0
Water Resources Board	9.0
Subtotal - Natural Resources	621.5
Transportation	
Transportation	864.3
Subtotal - Transportation	864.3
Total	15,756.3

Forms and Samples

Table 4 lists each of the forms that are part of the FY 2002 Budget process. This table also indicates the type of format (i.e. Excel or Word) each form is in, and the name of the spreadsheet or word processing file containing the respective form template, if applicable. Some information, listed under the Template column as "data", will be provided to agencies at a later date, upon receipt of final FY 2000 revenue and expenditure data from the Controller's system. Copies of the template files will be provided on a diskette along with the salary and wage projection files, which will be distributed by July 21, 2000. If you require forms in a format other than those provided (i.e. Lotus or WordPerfect), please contact Brenda Brodeur at 222-6417.

Samples of completed forms are enclosed with these instructions for your reference. If you have any questions on how to prepare a particular form, please contact your Budget Analyst for assistance.

Table 4
FY 2002 Budget Forms

Form #	Form Name	Template?	Type	Form File Name		
				Excel	Word	
BR-1	Agency Summary	Yes	Spreadsheet	BR-1.xls	-	
BR-2a	Personnel Supplement Data	Yes	Spreadsheet	BR-2a.xls	-	
BR-2b	Position Listing	Data	Spreadsheet	SWPxxxx.xls	-	
BR-2e	Salary/Wage Projection	No	Computer Printout	-	-	
BR-2f	Fringe Benefit Projections	No	Computer Printout	-	-	
BR-3	Program Summary	Yes	Spreadsheet	Br-3.xls	-	
BR-4	Subprogram Summary	Yes	Spreadsheet	BR-4.xls	-	
BR-5	Expenditure Plan Adjustments	Yes	Spreadsheet	BR-5.xls	-	
BR-6a	BOC Detail	Data	Spreadsheet or Access DB	BOCxxxx.xls	-	
BR-6b	BOC Detail Backup Information	Yes	Spreadsheet	BR-6b.xls	-	
BR-7	Federal/Restricted Account Estimates	Yes	Spreadsheet	BR-7.xls	-	
BR-8	Estimated Departmental Revenues	Data	Spreadsheet	REVxxxx.xls	-	
BR-9	Receipt Account Information	Yes	Word Processing	-	BR-9.doc	
BR-10	Narrative Information	Yes	Word Processing	-	BR-10.doc	
BR-12	Information Technology Expenditures	Yes	Spreadsheet	BR-12.xls	-	
Other Forms						
	(Agency-specific copies of these forms were previously distributed with Performance Measures instructions in June)					
	Annual Performance Review	Yes	Word Processing			
	Performance Measure	Yes	Word Processing			

xxxx = Department or Agency Number